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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/574,546	04/03/2006	Saar Will	2043.560US1	4073
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EXAMINER NIGH, JAMES D				
ART UNIT 3685		PAPER NUMBER		
NOTIFICATION DATE 10/02/2009		DELIVERY MODE ELECTRONIC		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM
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Office Action Summary

Application No.

10/574,546

Applicant(s)

WILF ET AL.

Examiner

JAMES D. NIGH

Art Unit

3685

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 August 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3, 5-7 and 9-22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3, 5-7 and 9-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-8508)
- _____ Paper No(s)/Mail Date _____

- 4) ☐ Interview Summary (PTO-413)
- _____ Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This communication is in response to amendments and remarks filed on 3 August 2009. Claims 1, 2, 3, 6, 7, 9, 11, 13, 15, 16 and 22 have been amended and claims 4 and 8 have been cancelled. Claims 1-3, 5-7 and 9-22 are currently pending and are presented for examination on the merits.

Response to Arguments

2. Applicant's argument regarding the 35 U.S.C. § 101 rejection of claim 1 has been fully considered but is not persuasive. The "verification system" has not been structurally defined within the disclosure other than the recitation of a "unit" which in the broadest reasonable interpretation could be software. The "account database" could also in the broadest reasonable interpretation be on paper. No positive recitation of a machine has been made within the claim as performing the method steps, nor is a physical transformation occurring. Therefore the rejection will be maintained.

3. Applicant's argument regarding the 35 U.S.C. § 101 rejection of claim 16 has been fully considered and is persuasive. Therefore the rejection will be withdrawn.

4. Applicant's argument regarding the 35 U.S.C. § 112, 2nd paragraph rejections of claims 1-22 has been fully considered and is persuasive. Therefore the rejections will be withdrawn.

5. Applicant's argument regarding the 35 U.S.C. § 102 (e) rejection of claims 1-3, 5-7 and 9-22 has been fully considered but is not persuasive. Applicant's claims are extremely broad. For example the limitation "based on at least one of a time the at least one stored personal detail was received" is disclosed by Hillmer in column 10, lines 38-

40 in the mention of the elapsed time period. The limitation "degree of personal exposure of an entity submitting the at least one stored personal detail" is disclosed by Hillmer in column 6, lines 46-51 relative to the "known good relationship". The limitation "an identification procedure performed upon receipt of the at least one stored personal detail" is disclosed by Hillmer in column 5, line 59 through column 6, lines 20 as AVS and CVV are both identification procedures performed on the receipt of the personal detail. Thus Hillmer discloses every element of Applicant's invention. Therefore the 35 U.S.C. § 102 (e) rejection will be maintained.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. **Claims 1-3, 5-7 and 9-15 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

Claim 1 recites a method of determining a reliability of a transaction but does not positively recite any structure upon which the method is being performed, nor is any physical transformation occurring. Based on Supreme Court precedent (See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, a §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In

addition, the tie to a particular apparatus, for example, cannot be mere extra-solution activity. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

To meet prong (1), the method step should positively recite the other statutory class (the thing or product) to which it is tied. This may be accomplished by having the claim positively recite the machine that accomplishes the method steps. Alternatively or to meet prong (2), the method step should positively recite identifying the material that is being changed to a different state or positively recite the subject matter that is being transformed.

In this particular case, claim 1 fails prong (1) because the method steps are not tied to a machine and can be performed without the use of a particular machine.

Additionally, the claim(s) fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing.

8. Claims 2-3, 5-7 and 9-15 are also rejected as being dependent upon claim 1.

Claim Rejections - 35 USC § 102

9. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

10. Claims 1-3, 5-7, 9 and 11-22 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Hillmer et al. (U.S. Patent 6,714,918, hereinafter referred to as Hillmer).

11. As per claim 1

Hillmer discloses receiving the account identifier (4:38-51, 6:37-65)

Hillmer discloses determining a reliability indicator (Abstract, 2:23-60)

Hillmer discloses providing a reliability indicator (7:42-53, 9:21-10:3, 10:49-58, 12:25-49)

Hillmer discloses where said reliability indicator is based on at least one piece of information selected from the group consisting of a time at least one said stored personal detail was received, the identification procedure performed upon receipt of at least one said stored personal detail, and the degree of personal exposure of an entity submitting at least one said stored personal detail (5:59-6:20, 6:46-51, 9:21-10:48)

12. As per claim 2

Hillmer discloses providing stored personal details (7:7-28, 7:42-53, 12:25-49)

13. As per claim 3

Hillmer discloses comparing a candidate detail against a stored detail (12:25-49, 13:37-48)

14. As per claim 5

Hillmer discloses recording the date of the transaction (9:21-35) and date periods factoring into the reliability (10:38-40).

15. As per claim 6

Hillmer discloses information about the transaction medium (6:66-7:6, 7:54-8:6, Table 1.0) and personal exposure (6:46-51).

16. As per claim 7

Hillmer discloses a connection over the Internet (6:66-7:6)

17. As per claim 9

Hillmer discloses an identification procedure (4:52-5:2, 6:37-65)

18. As per claim 11

Hillmer discloses carrying out fraud prevention measures based upon provided said at least one determined reliability indicator (9:21-10:22)

19. As per claim 12

Hillmer discloses wherein said fraud preventing measures are selected from the group consisting of making a phone call to a verified phone number, sending an email to a verified email address, and physically sending an item to a verified street address (9:21-10:22).

20. As per claim 13

Hillmer discloses authorizing or denying a transaction based upon provided said at least one determined reliability indicator (5:3-38, 8:23-43, 12:14-49, 14:49-65)

21. As per claim 14

Hillmer discloses wherein said at least one stored personal detail is selected from the group consisting of account owner's name, a street address, a billing address, an additional address, a phone number, an email address, a government-issued identifier, a mother's maiden name, a social security number (9:21-10:22)

22. As per claim 15

Hillmer discloses combining a plurality of said reliability indicators to obtain at least one combined reliability indicator (9:21-10:22).

23. As per claim 16

Hillmer discloses a data receiving unit configured to receive data selected from the group consisting of the account identifier and at least one candidate personal detail (4:38-51, 6:37-65)

Hillmer discloses determining a reliability indicator (Abstract, 2:23-60)

Hillmer discloses providing a reliability indicator (7:42-53, 9:21-10:3, 10:49-58, 12:25-49).

Hillmer discloses where said reliability indicator is based on at least one piece of information selected from the group consisting of a time at least one said stored personal detail was received, the identification procedure performed upon receipt of at least one said stored personal detail, and the degree of personal exposure of an entity submitting at least one said stored personal detail (5:59-6:20, 6:46-51, 9:21-10:48)

24. As per claim 17

Hillmer discloses a data output unit configured to output data selected from the group consisting of said at least one reliability indicator and at least one said stored personal details (7:7-28, 7:42-53, 12:25-49).

25. As per claim 18

Hillmer discloses a chargeable account database for storing data selected from the group consisting of at least one said stored personal detail, at least one candidate

personal detail, at least one said account identifier, and at least one said reliability indicator (12:25-49, 13:37-48).

26. As per claim 19

Hillmer discloses wherein said reliability indicator provider includes a combining module for combining a plurality of said reliability indicators to produce a combined reliability indicator (9:21-10:22).

27. As per claim 20

Hillmer discloses a comparison module, for comparing at least one said candidate personal detail with at least one said stored personal detail (12:25-49, 13:37-48).

28. As per claim 21

Hillmer discloses a comparison module, for comparing at least one said candidate personal detail with at least one said stored personal detail, wherein said data output unit is further configured to send results of said comparison (12:25-49, 13:37-48).

29. As per claim 22

Hillmer discloses authorizing or denying a transaction based upon provided said at least one determined reliability indicator (5:3-38, 8:23-43, 12:14-49, 14:49-65).

Claim Rejections - 35 USC § 103

30. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

31. **Claim 10 is rejected under 35 U.S.C. 103(a) as being unpatentable over Hillmer in view of Houvener et al. (U.S. Patent 6,070,141, hereinafter referred to as Houvener).**

32. As per claim 10

Hillmer does not explicitly disclose wherein said verifying item is selected from the group consisting of government issued identification, a hand signature and biometric information. Houvener teaches IDs, signatures and biometric information (6:52-67, 9:16-38)

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the system and method for detecting fraudulent transactions of Hillmer with the system and method of assessing the quality of an identification transaction using an identification quality score of Houvener for the purpose of identifying transactions where heightened scrutiny is warranted.

Please note:

A recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

Applicant(s) are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C: "Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim

limitation. [Emphasis in original.]; and *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006) ("As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.").

Conclusion

33. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES D. NIGH whose telephone number is (571)270-5486. The examiner can normally be reached on Monday-Thursday 6:45-5:15.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin L. Hewitt II can be reached on 571-272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/JAMES D NIGH/
Examiner, Art Unit 3685

/Calvin L Hewitt II/
Supervisory Patent Examiner, Art Unit 3685